8/7/87 A0400

# The Aluminum Situation

**Department of Economics and Statistics** **July 1987**

## 1987 Shipments Down 1.5 Percent

Total industry net shipments for five months 1987, at an estimated 6,780 million pounds, were down 1.5 percent from the five month 1986 total of 6,881 million pounds.

Domestic shipments of 6,302 million pounds were 2.6 percent less than the five month 1986 total of 6,472 million pounds.

Imports of ingot and mill products were down 8.9 percent and exports were up 16.9 percent.

**Thru May 1987**

| | 5 Mos. 1987 | 5 Mos. 1986 | % Change |
|---|---|---|---|
| Mill Products | 5,302 | 5,425 | - 2.3% |
| Ingot | 1,478 | 1,456 | + 1.5% |
| Total | 6,780 | 6,881 | - 1.5% |
| Less Exports | 478 | 409 | +16.9% |
| Domestic Total | 6,302 | 6,472 | - 2.6% |

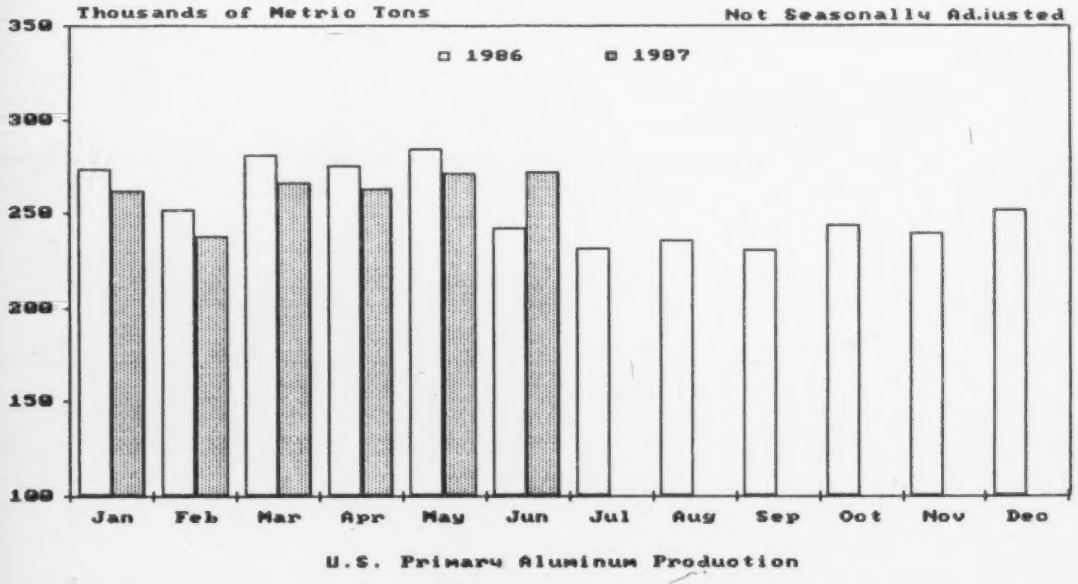
Millions of Pounds
Source: Latest month estimated by the Aluminum Association. Previous data-Bureau of the Census.

## 1987 Production Off 2.2 Percent

U.S. primary aluminum production averaged 9,063 metric tons daily during June 1987, compared with an average 8,065 metric tons per day in June 1986.

The annual rate of production in June 1987 was 3,307,934 metric tons, compared to 2,943,579 metric tons in June 1986. The May 1987 annual rate was 3,190,406 metric tons. Actual production in June 1987 was 271,885 metric tons.

## Primary Production



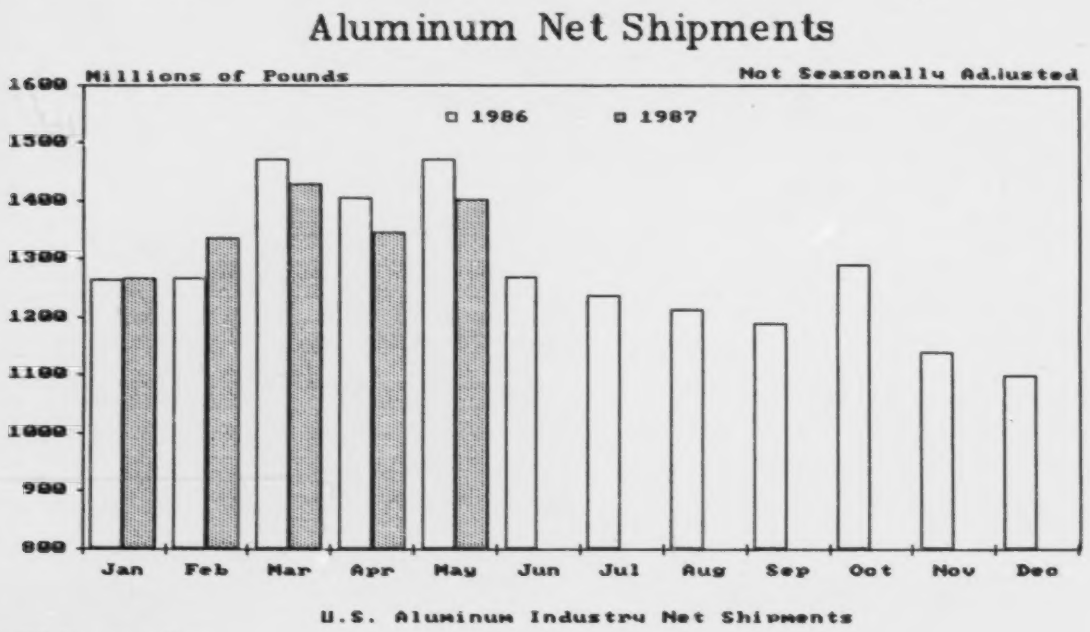

U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

## Net Shipment Down 1.5 Percent

Estimated total industry net shipments of 6,780 million pounds for five months of 1987 were down 1.5 percent from the five month 1986 total of 6,881 million pounds. Exports were up 16.9 percent. Domestic shipments showed a 2.6 percent decrease from a year ago. May shipments of 1,402 million pounds were down 4.7 percent versus a year ago.




U.S. Aluminum Industry Net Shipments

## Net Shipments

(Millions of Pounds)

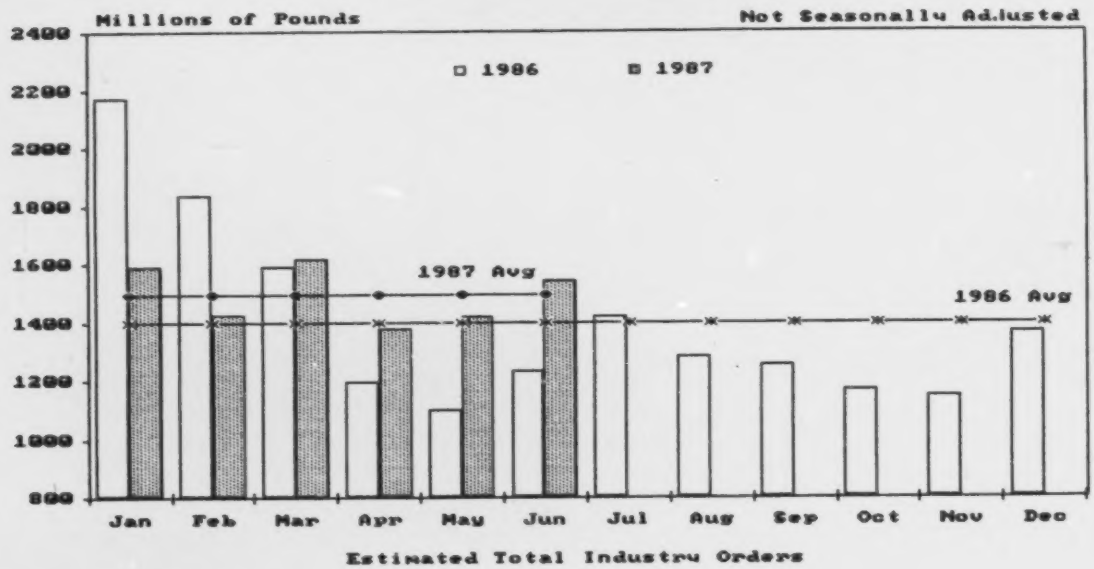
| | 1987* May | 1986 May | 1987 5 Mos. | 1986 5 Mos. | % Change YTD 1987 vs. 1986 |
|---|---|---|---|---|---|
| Sheet | 586.0 | 629.0 | 2,833.8 | 2,834.5 | 0.0% |
| Plate | 21.5 | 25.0 | 113.1 | 117.9 | - 4.1% |
| Foil | 69.2 | 77.2 | 359.5 | 384.7 | - 6.5% |
| Rod, Bar & Wire | 29.3 | 33.6 | 149.2 | 163.1 | - 8.5% |
| Electrical Conductor | 53.1 | 57.5 | 250.5 | 271.0 | - 7.6% |
| Extruded Shapes & Tube | 224.7 | 240.5 | 1,115.8 | 1,159.3 | - 3.7% |
| Powder & Paste | 7.4 | 11.3 | 36.7 | 45.2 | -18.9% |
| Forgings & Impacts | 12.8 | 12.0 | 63.8 | 62.7 | + 1.8% |
| Net Imports of Mill Products (Total)(a) | 82.4 | 82.9 | 379.3 | 386.6 | - 1.9% |
| Total Mill Products | 1,086.5 | 1,169.0 | 5,301.7 | 5,425.0 | - 2.3% |
| Ingot(b) | 315.0 | 302.2 | 1,478.2 | 1,456.2 | + 1.5% |
| TOTAL INDUSTRY SHIPMENTS | 1,401.5 | 1,471.2 | 6,779.8 | 6,881.2 | - 1.5% |
| Exports | 85.8 | 79.2 | 478.1 | 409.0 | +16.9% |
| TOTAL DOMESTIC SHIPMENTS | 1,315.7 | 1,392.0 | 6,301.7 | 6,472.2 | - 2.6% |

Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.
*Latest month.

## June Net New Orders Show Continuing Increase

Estimated net new order receipts for six months of 1987 at 8,962 million pounds were down 1.7 percent versus the first six months of 1986 total of 9,113 million pounds. June orders of 1,539 million pounds were up 25.0 percent versus a year ago.

### Order Receipts




## Order Receipts

(Millions of Pounds)

| | 1987* June | 1986 June | 1987 6 Mos. | 1986 6 Mos. | % Change YTD 1987 vs. 1986 |
|---|---|---|---|---|---|
| Can Stock(a) | 340.9 | 290.9 | 1,926.0 | 1,874.8 | + 2.7% |
| Sheet & Plate, Other | 393.5 | 297.7 | 2,522.7 | 2,108.8 | +19.6% |
| Foil | 86.6 | 76.4 | 481.2 | 445.2 | + 8.1% |
| Rod, Bar & Wire | 30.2 | 18.8 | 193.5 | 166.3 | +16.4% |
| Electrical Conductor | 52.7 | 60.1 | 334.3 | 335.8 | - 0.4% |
| Extruded Products | 309.8 | 212.3 | 1,865.2 | 1,422.0 | +31.2% |
| Powder & Paste | 4.7 | 6.7 | 26.1 | 46.3 | -43.6% |
| Forgings & Impacts | 8.7 | 6.9 | 62.7 | 59.8 | + 4.8% |
| Domestic Mill Products | 1,227.1 | 969.8 | 7,411.7 | 6,459.0 | +14.7% |
| Ingot (Total) | 164.6 | 218.8 | 910.7 | 2,246.9 | -59.5% |
| TOTAL DOMESTIC | 1,391.9 | 1,188.6 | 8,322.4 | 8,705.9 | - 4.4% |
| Exports | 147.4 | 43.9 | 639.9 | 407.0 | +57.2% |
| TOTAL ALL PRODUCTS | 1,539.3 | 1,232.5 | 8,962.3 | 9,112.9 | - 1.7% |

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

## Producer Inventories Continue to Decline

Producer inventories decreased an estimated 72 million pounds in May 1987 from the revised April 1987 level of 4,591 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

| Month | Total* | Integrated** | Smelters | Non-Integrated |
|---|---|---|---|---|
| Dec 84 | 5,850 | 4,692 | 229 | 929 |
| **Month** | **Total*** | **Ingot** | **Scrap** | **All Other** |
| Dec 85 | 5,165 | 2,235 | 567 | 2,363 |
| Jun 86 | 5,043 | 1,959 | 614 | 2,471 |
| Jul 86 | 5,084 | 1,998 | 625 | 2,461 |
| Aug 86 | 5,059 | 2,058 | 626 | 2,375 |
| Sep 86 | 4,976 | 1,995 | 647 | 2,334 |
| Oct 86 | 4,927 | 1,896 | 622 | 2,409 |
| Nov 86 | 4,902 | 1,879 | 598 | 2,425 |
| Dec 86 | 4,928 | 1,971 | 632 | 2,324 |
| Jan 87 | 4,947 | 1,933 | 601 | 2,413 |
| Feb 87 | 4,784 | 1,693 | 582 | 2,509 |
| Mar 87 | 4,702 | 1,623 | 561 | 2,518 |
| Apr 87 | 4,591r | 1,521r | 560r | 2,511r |
| May 87 | 4,519 | 1,467 | 555 | 2,497 |

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. **Number of integrated producers lower effective January 1987.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

## Imports and Exports

(Millions of Pounds)

| | | 1987 May | 1986 May | 1987 5 Mos. | 1986 5 Mos. | % Change 1987 vs. 1986 |
|---|---|---|---|---|---|---|
| Imports | Mill Products | 88.4 | 95.2 | 423.3 | 439.5 | - 3.7% |
| | Ingot | 229.0 | 329.5 | 1,162.2 | 1,300.4 | -10.6% |
| | Total | 317.4 | 424.6 | 1,585.5 | 1,739.9 | - 8.9% |
| | Scrap (+ dross) | 39.7 | 28.4 | 181.5 | 133.9 | +35.5% |
| | Grand Total | 357.1 | 453.1 | 1,767.0 | 1,873.8 | - 5.7% |
| Exports | Mill Products | 52.2 | 41.8 | 258.8 | 199.0 | +30.0% |
| | Ingot | 33.6 | 37.4 | 219.3 | 210.0 | + 4.5% |
| | Total | 85.8 | 79.2 | 478.1 | 409.0 | +16.9% |
| | Scrap | 75.3 | 57.5 | 339.4 | 312.9 | + 8.5% |
| | Grand Total | 161.1 | 136.7 | 817.6 | 721.9 | +13.2% |
| Net Imports | | 196.1 | 316. | 949.4 | 1,151.9 | -17.6% |

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.